



Vibrance. A reflection of true happiness, fulfillment. A celebration of life and humanity. Which, in essence, speaks of our corporate objective as well. To bring in health and happiness and enhance the quality of life.

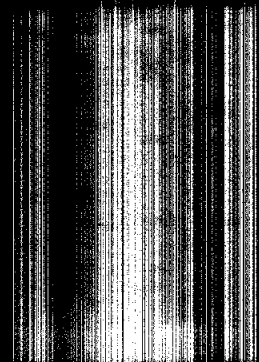
But for us, at Torrent, Vibrance has a deeper meaning. It's our vital force for growth, propelling us to scale greater heights. Driving us to make high quality products. Charging us to move new grounds in Pharmaceuticals.

And evidently so. Torrent was one of the first Pharma companies in the country to realise the vital role of Research. With a state-of-the-art technology and a dedicated team of scientists, the company has one of the most advanced infrastructure for both basic and applied research, and develops most of the bulk drugs and formulations in-house. This, coupled with collaborations with international research organisations has given it a vibrant presence in the country's pharmaceutical market.

Torrent lives up to its literal meaning, 'Rushing Stream', particularly in the vibrant way in which it introduces new products in the country. Such breezy introductions, directed towards niche segments, hit the bull's eye almost always. No wonder then, the company has to its credit leading brands in various niche segments of medicine. Efforts are on to increase its salience in other therapeutic areas as well.

And true to its tradition of seizing opportunities, Torrent was amongst the first few Pharma companies in the country to foray into international market, particularly Russia.

Affirming its social commitment, Torrent has adopted Parimal Garden, a nature lover's delight amidst the hustle-bustle of Ahmedabad.



action.com

Cover **Foundation For A Vibrant Future**
Founder's Day Celebrations, 2002, dedicated to the children of Torrent Parivar.

This page **The Path To A Brighter Tomorrow**
Torrent Research Centre, an inside view.

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vibrance

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Notice

NOTICE IS HEREBY GIVEN THAT THE TWENTY NINTH ANNUAL GENERAL MEETING OF THE MEMBERS OF TORRENT PHARMACEUTICALS LIMITED will be held on Monday, the 22nd July, 2002 at 10:00 a.m. at Sheth Mangaldas Girdhardas Memorial Town Hall, Opp. Ellisbridge, Ashram Road, Ahmedabad 380006 to transact the following business:

Ordinary Business

- 1 To receive, consider and adopt the Balance Sheet as at 31st March, 2002, the Profit and Loss Account for the year ended on that date and reports of the Directors and Auditors thereon.
- 2 To declare dividend.
The Board has, at its meeting dated 13th May, 2002 recommended a dividend on equity shares at Rs.8.00 per equity share (80% on fully paid par value) for approval by the members.
- 3 To appoint a Director in place of Mr Sudhir Mehta, who retires by rotation and being eligible, offers himself for re-appointment.
- 4 To appoint Auditors and to fix their remuneration.

The Board of Directors have recommended the re-appointment of M/s C. C. Chokshi & Co., Chartered Accountants, the retiring auditors who are eligible for re-appointment, on such remuneration as may be decided by the Board/Audit Committee.

Special Business

To consider and if thought fit, to pass with or without modification(s), the following Resolutions:

- 5 **Appointment of Dr. Prasanna Chandra as Director, as an ordinary resolution.**
"RESOLVED THAT Dr. Prasanna Chandra, who was appointed as a Director on 25th May, 2001

in the casual vacancy caused by resignation of Director Dr. Prathap C Reddy, and who vacates his office at this Annual General meeting under Section 262 of the Companies Act, 1956, but who is eligible for re-appointment and in respect of whom the Company has duly received a notice under Section 257 of the Companies Act, 1956, from a member proposing his appointment as a Director of the Company, be and is hereby appointed as the Director of the Company and that his office shall be liable for retirement in the normal course."

- 6 **Revision in remuneration of Dr. Chaitanya Dutt, Director (Research & Development) as ordinary resolution.**

"RESOLVED THAT in partial modification of the resolution passed at the Annual General Meeting held on 23rd July, 2001 and pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the approval of the shareholders be and is hereby granted for revision in the remuneration payable to Dr. Chaitanya Dutt, Director (Research & Development), w.e.f. 1st April, 2002 for the remaining period of the term of his office as under:

The following shall be added in Section 1 SALARY, at the end:

The salary will be increased by Rs.65,200 (Rupees Sixty five thousand two hundred only) per month w.e.f. 1st April, 2002 and will be further increased by Rs.65,200 (Rupees Sixty five thousand two hundred only) per month w.e.f. 1st April, 2003.

In addition to the salary, he may be paid an annual performance related bonus of an amount not exceeding Rs.15 lacs per year with effect from 1st April, 2002, if thought fit and as may be decided by the Board for each year.

Torrent Pharmaceuticals Limited



Notes

The following shall be added as point (iv) in Section 3 OTHER TERMS, after point (iii):

- iv **The total remuneration for any year shall not exceed 5% of the net profits of the Company, calculated as per Section 349 of the Companies Act, 1956."**

7 Modification in terms of remuneration of Mr Samir Mehta, Managing Director as ordinary resolution.

"RESOLVED THAT in partial modification of the Resolution passed at the Annual General Meeting held on 23rd July, 2001 and pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the approval of shareholders be and is hereby granted to modify the section no. 2 of terms of remuneration regarding payment of commission to Mr Samir Mehta, with effect from 1st April, 2002 for the remaining period of his term of office, by substituting the same with the below:

- 2 COMMISSION: At a rate not exceeding 3% of net profits of the Company, calculated in accordance with Section 349 of the Companies Act, 1956 as may be fixed by the Board for each year, payable quarterly."**

By Order of the Board of Directors

For Torrent Pharmaceuticals Limited

Parthiv Parikh
Company Secretary

Ahmedabad, 13th May, 2002

Registered Office:
Torrent House, Off Ashram Road,
Ahmedabad 380009

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
- 2 Proxies, in order to be effective, must be received by the Company not later than 48 hours before the commencement of the meeting.
- 3 The related Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, setting out all material facts concerning item 3, 5, 6 & 7 is annexed.
- 4 The members are hereby informed that unclaimed dividend for the financial year ended on 31st March, 1995 has been transferred to General Revenue Account of the Central Government in the month of November 1998. Those who have not encashed the said dividend warrant(s) are requested to contact the Registrar of Companies, Gujarat, ROC Bhavan, Opp.Rupal Park, Nr. Ankur Bus Stand, Naranpura, Ahmedabad 380013.
- 5 Members are requested to intimate to the Company, queries, if any, on the accounts at least 10 days before the date of the meeting to enable the management to keep the required information available at the meeting.
- 6 The 3rd and final redemption installment of Rs.25 per debenture in respect of the 57 lacs 15% PCDs has been paid on 21st April, 2002, thus fully redeeming the same. These are no longer tradable and those who have not surrendered their debenture certificates, are requested to surrender the same at the earliest for cancellation.
- 7 The Members are requested to advise the Company or its Registrars and Transfer Agents immediately about any change in address.

Explanatory Statement Pursuant To Section 173(2) of The Companies Act, 1956

Item No. 3

Mr Sudhir Mehta was last appointed as Director on 15th September, 1999 and his term of office ends at the ensuing Annual General Meeting under Section 256 of the Companies Act, 1956. Mr Mehta is eligible to be appointed as the Director of the Company. His appointment is proposed under Section 256 of the Companies Act, 1956 and he shall be liable for retirement by rotation in the normal course.

Torrent Pharmaceuticals Limited



Mr Sudhir Mehta is a promoter-director and non-executive chairman of the Board. He has been associated with the Company since its early days. The growth and progress of the Company from a small outfit in 1975 to Rs.432 crores of revenues in 2001-02 is largely attributable to his vision and strategy. During the last decade the Indian pharma sector has been undergoing significant structural changes. He has been instrumental in foreseeing these and developing an appropriate strategic response to it.

The Company made substantial progress under the leadership of Mr Mehta in the last five years. The turnover of the Company increased from Rs.299 crores in 1995-96 to Rs.432 crores in 2001-02. More importantly, there was a qualitative shift in sales, with dependence on tender based exports reducing substantially and a greater focus on branded pharmaceuticals for the domestic markets. As a result the Company now occupies a leading position in the industry due to its established capability to introduce new molecules which are first-time products in India. It has amongst the best research and development facilities in India, conducting both discovery research as well as product development research. It has steadily built a business model capable of competitive survival in the post-WTO IPR regime. In recent times the Company has taken several steps to increase its international presence, more particularly in the generic space in advanced regulated markets. The profitability of the Company has steadily improved over the period. He has managed strategic alliances with several leading international giants from UK, Germany, France and USA.

Mr Mehta is the Chairman of Torrent Group, of which the Company is the flagship. He was amongst the first few who foresaw the opportunity in the Indian power sector by acquiring a power cable company. He, thereafter, systematically expanded the power business of Torrent Group by acquiring controlling stakes in The Ahmedabad Electricity Company Ltd., and The Surat Electricity Company Ltd., and implementing Gujarat Torrent Energy Corporation Ltd., a 655 MW & India's first successful independent power project.

Mr Sudhir Mehta is 48 years in age and is a graduate from Gujarat University. Besides your Company, of which he is Chairman, he is also a Director on the Boards of The Ahmedabad Electricity Company Ltd., The Surat Electricity Company Ltd, Torrent Pvt Ltd, Torrel Cosmetics Pvt Ltd and The Sandesh Ltd.

His rich knowledge and experience will go a long way in enriching the Board.

The Board commends this resolution for your approval. Mr Sudhir Mehta is deemed to be concerned or interested in the Resolution. Mr Samir Mehta is also concerned or interested in the Resolution, being relative of Mr Sudhir Mehta. None of the other Directors of the Company is in any way concerned or interested in the Resolution.

Item No. 5

Dr. Prasanna Chandra was appointed as a Director on 25th May, 2001 to fill up the casual vacancy caused by resignation of Dr. Prathap C. Reddy on 28th March, 2001. His term of office ends at the ensuing Annual General Meeting under Section 262 of the Companies Act, 1956. Dr. Prasanna Chandra is eligible to be appointed as the Director of the Company. The Company has received a notice in writing signifying his candidature as director under Section 257 of the Companies Act, 1956 from a member.

Dr. Prasanna Chandra is 55 years in age and an MBA and a doctorate in Finance, with over 3 decades of teaching and training experience at various institutions in India and abroad. He was a professor of Finance at the Indian Institute of Management, Bangalore for nearly 2 decades and a visiting professor of Finance at Southern Illinois University, USA. Dr. Chandra has authored several books, published articles in reputed journals, served on the boards of reputed companies and has been a consultant to many companies. He has received several honours including the Best Teacher Award from the Association of Indian Management Schools. He is currently a Director on the Board of IFCI Ltd. and UTI Investment Advisory Services Ltd. He is the Chairman of Investors Grievance Committee of IFCI Ltd., and a member of the Audit Committee of Unit Trust of India Investment Advisory Services Ltd. His rich knowledge and experience will go a long way in enriching the Board.

His appointment is proposed under Section 257 of the Companies Act, 1956 and he shall be liable for retirement by rotation in the normal course.

The Board commends this resolution for your approval. None of the Directors except Dr. Prasanna Chandra is deemed to be concerned or interested in this item of business.



Item No. 6

Dr. Chaitanya Dutt was appointed as Whole-time Director and designated as Director (Research and Development) for a period of three years w.e.f. 1st July, 2000 on a remuneration comprising of a basic salary Rs.2,61,000/- per month plus certain specified allowances and perquisites, all aggregating to approximately Rs.60 lacs per annum. The appointment and remuneration were approved by the shareholders in the Annual General Meeting of 23rd July, 2001.

Dr. Dutt is one of the key functionaries in the top management team and has been associated with the Company for almost two decades. He has been instrumental in setting up the Torrent Research Centre (TRC), the research arm of the Company. Under his prudent guidance and leadership, TRC has achieved tremendous progress in the areas of basic discovery research as well as development work on formulations. TRC currently has a discovery pipeline of 6 projects, some in late pre-clinical development. International pharma companies have shown interest to in-license some of these projects. Besides, the Company's leadership position in introducing new molecules and line extensions in the domestic market is due to the capabilities built up under the leadership of Dr. Dutt.

It is proposed to increase his remuneration as under:

w.e.f. 1st April, 2002 to increase the monthly basic salary by Rs.65,200 from Rs.2,61,000 to Rs.3,26,200 aggregating to an increase of Rs.15 lacs per annum from Rs.60 lacs to Rs.75 lacs after factoring the consequential increase in HRA, provident fund contribution, superannuation contribution and gratuity.

w.e.f. 1st April, 2003 to further increase the monthly basic salary by Rs.65,200 from Rs.3,26,200 to Rs.3,91,400 aggregating to an increase of Rs.15 lacs per annum from Rs.75 lacs to Rs.90 lacs after factoring the consequential increase in HRA, provident fund contribution, superannuation contribution and gratuity.

In addition to the above, Dr. Dutt may be entitled to a performance related bonus of an amount not exceeding Rs.15 lacs per year w.e.f. 1st April, 2002, if thought fit and as may be decided by the Board for each year.

The Board commends this resolution for your approval. None of the Directors except Dr. Dutt is deemed to be concerned or interested in this item of business.

This, along with the relevant Resolution may be treated as an abstract pursuant to Section 302 of the Companies Act, 1956.

Item No. 7

Mr Samir Mehta was re-appointed as Managing Director of the Company for a period of five years w.e.f. 1st April, 2001 on a remuneration of Rs.5 lacs per month plus certain specified allowances and perquisites plus commission at 3% of net profits. The aggregate remuneration paid to Mr Mehta (including commission) for the year 2001-02 is approximately Rs.231 lacs. The appointment and remuneration were approved by the shareholders in the Annual General Meeting of 23rd July, 2001.

The Board has approved to modify the terms of remuneration of Mr Samir Mehta by providing that the commission of 3% payable to him will be the ceiling within which the Board will fix the annual commission. This modification does not have the effect of increasing the remuneration of Mr Mehta.

The Board commends this resolution for your approval. None of the Directors except Mr Samir Mehta and Mr Sudhir Mehta are deemed to be concerned or interested in this item of business.

This, along with the relevant Resolution may be treated as an abstract pursuant to Section 302 of the Companies Act, 1956.

By Order of the Board of Directors

For Torrent Pharmaceuticals Limited

Parthiv Parikh

Company Secretary

Ahmedabad, 13th May, 2002

Registered Office:

Torrent House, Off Ashram Road,
Ahmedabad 380009

Torrent Pharmaceuticals Limited

Regd. Office: Torrent House, Off Ashram Road, Ahmedabad 380009



Circular

13th May, 2002

Dear Shareholder,

Re: Submission of Permanent Account Number (PAN)

The Finance Act 2002 requires tax to be deducted at source from the payment of dividend to shareholders where such dividend during the financial year exceeds prescribed limit (presently the limit is Rs.1,000/-).

The Income tax Act further provides that the certificate for the deduction of tax at source should incorporate the PAN of the shareholder.

The dividend for the year 2001-02 if approved at the AGM, will be paid in the month of July-August 2002.

In order to mention your PAN in the TDS certificate to be issued by the Company, you are requested to submit your PAN to the Registrars & Transfer Agents of the Company within 10 days from receipt of this letter at the following address:

**MCS Limited,
(Unit : Torrent Pharmaceuticals Ltd),
101, Subh Shatdal Complex,
Opp. Bata Show Room, Ashram Road,
Ahmedabad 380009.**

It may be noted that it is obligatory on the part of the shareholders to furnish their PAN to the Company as per the provisions of the Income tax Act. Non furnishing of PAN may attract penalty of Rs.10,000 under section 272B of the Income tax Act.

Thanking you,

Yours faithfully,

For Torrent Pharmaceuticals Limited

Parthiv Parikh
Company Secretary

Tear off from here

To
MCS Limited,
(Unit : Torrent Pharmaceuticals Ltd),
101, Subh Shatdal Complex, Opp. Bata Show Room,
Ashram Road, Ahmedabad 380009.

Folio No.

Re: Submission of Permanent Account Number (PAN)

Name of the First / Sole Shareholder

My PAN is

Signature of First / Sole Shareholder

Torrent Pharmaceuticals Limited
Regd. Office: Torrent House, Off Ashram Road, Ahmedabad 380009.



Proxy Form

DP Id**
Client Id**

Folio No.
No. of Shares held

I/We
of in the district of
being a Member/Members of the above named Company, hereby appoint Shri/Smt.
of in the district of
or failing him Shri/Smt.
of in the district of
as my/our proxy to vote for me/us and on my/our behalf, at the Annual General Meeting of the Company, to be held on
22nd July, 2002 and at any adjournment thereof.

Signed this day of 2002

Signature

Affix
30 Paise
Revenue
Stamp

- ** Applicable to the members whose shares are held in dematerialised form.
- 1 A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself.
 - 2 A proxy need not be a member of the Company.
 - 3 The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company at Torrent House, Off Ashram Road, Ahmedabad 380009, not less than 48 hours before the time for holding the Meeting.

Torrent Pharmaceuticals Limited



Attendance Slip

DP Id**
Client Id**

Folio No.
No. of Shares held

Full name of the member attending

Full name of the first joint-holder
(To be filled in if first named joint-holder does not attend the meeting)

Name of Proxy
(To be filled in if Proxy Form has been duly deposited with the Company)

I hereby record my presence at the 29th Annual General Meeting being held at Sheth Mangaldas Girdhardas Memorial Town Hall, Ellisbridge, Ahmedabad 380006 on 22nd July, 2002 at 10:00 a.m.

Signature of the Shareholder/Proxy

- ** Applicable to the members whose shares are held in dematerialised form.
- (To be signed at the time of handing over of this slip)
- Note: Persons attending the Annual General Meeting are requested to bring their copies of Annual Report.